

PROVINCE OF SASKATCHEWAN



08-09

ANNUAL REPORT  
MINISTRY OF JUSTICE AND  
ATTORNEY GENERAL

Public Guardian and Trustee  
of Saskatchewan



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This annual report is also available in electronic format from the Ministry's website at  
[www.justice.gov.sk.ca](http://www.justice.gov.sk.ca)



## Letters of Transmittal



His Honour the Honourable Dr. Gordon L. Barnhart  
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I have the pleasure to transmit to your Honour the Annual Report of the Public Guardian and Trustee of Saskatchewan for the year ending March 31, 2009.

I am pleased to report that the financial statements for the above fiscal year have now been finalized and audited.

The staff of the Public Guardian and Trustee are to be commended for their hard work and commitment to their clients.

Respectfully submitted,

A handwritten signature in black ink that reads "DR morgan".

Don Morgan, Q.C.  
Minister of Justice and Attorney General

The Honourable Don Morgan, Q.C.  
Minister of Justice and Attorney General

Dear Sir:

I have the pleasure to submit for your consideration the Annual Report of the Public Guardian and Trustee for the year ending March 31, 2009.

The Office has made major progress in a number of areas. I refer you to the goals and the planned actions in this report. I would like to thank the staff of the Office for their hard work and their efforts in accomplishing many of the goals for the year.

Respectfully submitted,

A handwritten signature in black ink that reads "Ronald J. Kruzeniski".

Ronald J. Kruzeniski, Q.C.  
Public Guardian and Trustee

# Mandate

## Vision

A society where the interests of vulnerable people are protected

## Mandate

The mandate of the Office of the Public Guardian and Trustee is to:

- Protect the property rights of children under the age of eighteen;
- Administer the property and finances of adults who are incapable of managing their financial affairs, monitor other property guardians, and investigate allegations of financial abuse;
- Administer the estates of deceased persons;
- Administer the estates of missing persons; and
- Hold and administer unclaimed property.

## Guiding Principles

- Clients are entitled to a continuum of services from the Public Guardian and Trustee;
- Clients of the Public Guardian and Trustee should be able to obtain service in the simplest way possible;
- The Public Guardian and Trustee, although easily accessible, should be the appointment of last resort;
- Every client is entitled to quality and timely service;
- The Public Guardian and Trustee will protect the assets of each client and attempt to maximize the rate of return; and
- To the extent possible, every service of the Public Guardian and Trustee should be charged for on a cost recovery basis.

## Goals and Objectives:

### **Goal 1: Greater security and safety for the affairs of vulnerable people**

- Objective 1: Intervene to secure the interests of vulnerable adults, children and deceased persons where permitted or directed by law
- Objective 2: Where possible, protect the estates of vulnerable adults and children from financial abuse and enhance the protection of their personal affairs where appropriate and permitted by law

### **Goal 2: Quality management of clients' assets and protection of their interests**

- Objective 1: Identify, secure and manage clients' property and assets in a timely, prudent manner and maximize the rate of return
- Objective 2: Maintain accurate records of clients' property, assets, incomes and payments
- Objective 3: Make decisions regarding disbursement of clients' property in a timely and prudent manner
- Objective 4: Manage costs to clients and to the Office effectively

### **Goal 3: Knowledge and expertise around policy issues and law reform initiatives that affect clients' interests or the protection of vulnerable people**

- Objective 1: Work with others in government to develop common approaches to legal and policy issues of concern to the Office
- Objective 2: Work with other Public Guardians and Trustees to develop common approaches to legal and policy issues of concern to the Office
- Objective 3: Develop a research basis for understanding the legal and policy issues of concern to the Office

- Objective 4: Promote public knowledge of the abuse of vulnerable people and develop potential tools for their protection

**Goal 4: A high quality of work life, where all members of the Office develop and use their skills, take leadership and share in decision-making as part of a team**

- Objective 1: Encourage leadership through staff skills development
- Objective 2: Recognize the achievements and accomplishments of employees
- Objective 3: Support a balance between work and family life

## **Workplace Values**

The Public Guardian and Trustee and its staff believe in high quality services provided in a knowledgeable, courteous and professional manner. This service:

- contributes to the public's confidence in and understanding of the Public Guardian and Trustee;
- is responsive and sensitive to people's needs;
- is open, honest and candid while respecting legitimate rights to privacy; and
- is accessible.

The Public Guardian and Trustee and its staff value a high quality of work life where all members:

- share in decision making;
- demonstrate leadership;
- respect and communicate with each other;
- take personal initiative;
- have pride in their work;
- develop individual skills and abilities;
- develop team building skills; and
- work in a safe, healthy and adequately resourced work environment.

The Public Guardian and Trustee and its staff are accountable to clients and to the taxpayers of Saskatchewan for the wise, innovative and effective use of resources.

The Public Guardian and Trustee and its staff believe in working together as a team through negotiations and partnership with others for mutually acceptable outcomes. The Public Guardian and Trustee and its staff respect and value diversity and equality among clients and employees by recognizing, encouraging and understanding the individuality of each person.

# What Does the Office Do?

## For children under the age of 18

- Holds funds for children under the age of 18;
- Monitors the actions of executors and trustees managing property for children;
- Manages children's interests in estates, lotteries, insurance policies and permanent impairment benefits;
- Approves settlements for personal injury claims and fatal accident claims and manages the proceeds of those claims;
- Approves legal fees for settlements of personal injury claims or fatal accident claims;
- Consents to the sale, transfer or lease of real estate where children have an interest; and
- Acts as property guardian for permanent wards of the province.

## For persons who are not capable of managing their own financial affairs

The Public Guardian and Trustee can be appointed as property guardian in two different ways:

- A Certificate of Incompetence under *The Mentally Disordered Persons Act*.
  - A medical doctor issues a Certificate of Finding of Incompetence
  - A Chief Psychiatrist issues a Certificate of Incompetence
  - The Public Guardian and Trustee issues an Acknowledgement to act
  - The Public Guardian and Trustee has up to one year to issue an Acknowledgement after the date of the Certificate of Incompetence.

- A Court Order under *The Adult Guardianship and Co-decision-making Act*.
  - Under *The Adult Guardianship and Co-decision-making Act*, the court can appoint the Public Guardian and Trustee as property guardian, if no one else wants to act or a family is in dispute.
- When the Public Guardian and Trustee acts as property guardian, the Office is responsible for managing all the financial affairs of the person and does some or all of the following:
  - ascertains the assets and debts of the person
  - determines the monthly income and expenses of the person;
  - manages any personal property or real estate for the person;
  - places funds of the person in the common fund;
  - makes any claims to recover funds on behalf of the person and, if necessary, commences a legal action; and
  - defends or settles claims against the person
  - arranges for the preparation of income tax returns.
- The Public Guardian and Trustee may also act as temporary property guardian if appointed by the court.
- Where an adult is mentally incapable, the Public Guardian and Trustee may require the attorney under a power of attorney to provide an accounting.
- The Public Guardian and Trustee may investigate an allegation that a vulnerable person is being subjected to financial abuse.
- The Public Guardian and Trustee may require a financial institution to suspend the withdrawal or payment of funds from a person's account for up to 30 days, where the Public Guardian and Trustee has reasonable grounds to believe that the person is a vulnerable adult and the Public Guardian and Trustee has received an allegation that the person is being subjected to financial abuse.

## **For deceased persons**

- Usually the family will administer the estate of a deceased person, but sometimes there is no one to act as administrator or the family is in dispute.
- in these instances, the Public Guardian and Trustee can act as Official Administrator.
- If family members are disputing the validity of a will, the Public Guardian and Trustee can be appointed as administrator pending the outcome of the litigation.
- When the Public Guardian and Trustee is appointed Administrator, the Office is responsible for dealing with all the financial affairs of the deceased and does some or all of the following:
  - ascertains all the assets and liabilities of the deceased
  - determines the beneficiaries of the deceased estate
  - pays all income taxes owed by the deceased if there are sufficient funds
  - pays all debts of the deceased if there are sufficient funds
  - distributes the estate to the beneficiaries according to the will or *The Intestate Succession Act*

## **For missing persons**

- The Public Guardian and Trustee can act as committee under *The Absentee Act* for missing persons. While it is acting as committee, it may:
  - determine the property of the missing person;
  - hold, manage or sell the property of the missing person;
  - search for the missing person;
  - advertise in an attempt to locate the missing person;
  - hire an heir locator to attempt to locate the missing person; and
  - if, after six years the person still cannot be found, pay the funds to the Crown.

- The Legislative Assembly has passed *The Missing Persons and Presumption of Death Act, 2009*, which will replace *The Absentee Act*. As of the date of publication, the Act has not been proclaimed.

## **For unclaimed property**

- The Public Guardian and Trustee can hold funds for persons whose whereabouts are unknown. While it is holding those funds, it may:
  - search for the missing person,
  - advertise in an attempt to locate the missing person;
  - hire an heir locator to attempt to locate the missing person; and
  - if, after six years the person still cannot be found, pay the funds to the Crown.

## **For the Common Fund**

Pursuant to section 47 of *The Public Guardian and Trustee Act*, all funds received by the Office are to be placed in the Common Fund. Section 47 allows the Office to invest a portion of those funds. This investment activity is governed by an Investment Policy. This policy was last updated in November 2007 and the complete policy can be found at <http://www.justice.gov.sk.ca/P-Trustee-Sk-2007-Policy.pdf>

An investment manager, Greystone Managed Investments Inc., makes the investment decisions. The investment manager is required to comply with the Investment Policy. Regular compliance reports are provided and any deviations from policy are reported to the Public Guardian and Trustee.

An investment consultant, Hewitt Associates, monitors the actions and performance of the investment manager. The investment consultant meets with the Investment Advisory Committee on a periodic basis to review the performance of the Common Fund and more particularly, the investment manager.

The custodian of the Common Fund is RBC Dexia Investor Services. The custodian is responsible for safekeeping of the assets, income collection, settlement of investment transactions, and accounting for the investment transactions and related holdings.

The Investment Policy provides that investments can be made in different asset classes, which are as follows:

### Common Fund Benchmark and Asset Component Ranges

|                               | Minimum %   | Benchmark % | Maximum %   |
|-------------------------------|-------------|-------------|-------------|
| <b>Equities</b>               |             |             |             |
| Canadian equities             | 5.0         | 14.0        | 25.0        |
| U.S. equities                 | 5.0         | 13.0        | 25.0        |
| Non-North American equities   | 5.0         | 13.0        | 25.0        |
| <b>Total Foreign equities</b> | <b>10.0</b> | <b>26.0</b> | <b>50.0</b> |
| <b>Total equities</b>         | <b>20.0</b> | <b>40.0</b> | <b>50.0</b> |
| <b>Total Fixed Income</b>     |             |             |             |
| Bonds                         | 40.0        | 59.0        | 70.0        |
| Short-term investments        | 0.0         | 1.0         | 30.0        |
| <b>Total Fund</b>             |             | <b>100</b>  |             |

Each asset class has a minimum percentage that can be invested in that class and a maximum amount that can be invested in that class. Each asset class also has a benchmark percentage. The performance of the investment manager is monitored against market rates of return in each asset class. Total fund performance is measured against a benchmark portfolio return, which is calculated by applying market rates of return to the benchmark portfolio weights.

The Common Fund is invested in a manner that reflects the highest standard of prudence in investment management and the high duty of care required to fulfill the responsibilities of the Office of the Public Guardian and Trustee. Accordingly, the Common Fund is invested in a prudently diversified portfolio of high quality securities, with an overall conservative orientation. The Common Fund objective is to minimize the risk of a loss of capital, while providing current income sufficient to meet ongoing cash needs and to provide potential for capital appreciation over time to meet the needs of our clients with higher risk tolerances and longer investment time horizons.

As of March 31, 2009 the following amounts were invested in each asset class:

|                             | (000s)            |               |
|-----------------------------|-------------------|---------------|
| Canadian equities           | \$ 14,052         | 13.1%         |
| U.S. equities               | \$ 15,126         | 14.1%         |
| Non-North American Equities | \$ 12,487         | 11.6%         |
| Bonds                       | \$ 62,598         | 58.2%         |
| Short-term investments      | \$ 3,273          | 3.0%          |
| <b>Total</b>                | <b>\$ 107,536</b> | <b>100.0%</b> |

*The Public Guardian and Trustee Regulations* require that earnings be distributed quarterly. Earnings are distributed in accordance with sections 4 to 7 of the Regulations. These Regulations can be found under "Relevant Legislation" at <http://www.justice.gov.sk.ca/pgt>.

Distribution of earnings takes place after March 31, June 30, September 30 and December 31 of each year. Each distribution involves interest, dividends and capital gains or losses.

## **2008-09 Information**

As of March 31, 2009 the Public Guardian and Trustee provided services to:

|   |              |
|---|--------------|
| Adults where we are acting as property guardian           | 1,062        |
| Adults where we review property guardians' accounting     | 345          |
| Adults where we monitor property guardians                | 51           |
| Adults where we have a notice of an interest in an estate | 39           |
| Adults where we are carrying out investigations           | 12           |
| Adults where we are acting as litigation guardian         | 2            |
| Adults where we act as power of attorney                  | 1            |
| Children for whom we hold funds                           | 2,039        |
| Children whose property rights we may monitor             | 1,471        |
| Estates where we have letters of administration           | 328          |
| Estates 24 months   | 50           |
| Estates where the value is less than \$10,000             | 895          |
| Estates where we are monitoring activities                | 21           |
| Estates where we have notice of tax enforcement           | 49           |
| Estates where we are acting as administrator ad litem     | 2            |
| Estates where we have unclaimed funds                     | 7            |
| Estates where we act as trustee                           | 4            |
| <b>Total</b>  | <b>6,383</b> |

As of March 31, 2009 the Office held assets in trust for clients in the amount of approximately \$142 million.

The annualized average rate of return realized for clients with money in the Common Fund for the twelve months ended March 31, 2009 was 3.45 per cent.

The average annualized rates of return over the past number of years are as follows:

- The 4-year average was 6.046%
- The 5-year average was 5.971%
- The 10-year average was 7.094%
- The 15-year average was 8.570%

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## 2008-09 Planned Actions

- Implement amendments to *The Administration of Estates Act*, and propose and implement amendments to *The Administration of Estates Regulations*.
- Propose and promote further consolidation of *The Administration of Estates Act* as part of the revision of Statutes project.
- Propose and review amendments to *The Trustee Act*.
- Participate in the consultation process to develop *The Co-ownership Act*.
- Participate in a Uniform Law Conference project to review *The Dependants' Relief Act*, *The Wills Act* and *The Intestate Succession Act*.
- Propose and recommend amendments to *The Adult Guardianship and Co-decision-making Act* and propose and implement amendments to *The Adult Guardianship and Co-decision-making Regulations* and forms.
- Propose and promote amendments to *The Absentee Act*.
- Propose a program of personal guardianship and, if approved, begin to develop resource plans, financial plans, policies and procedures.
- Work towards the provision of additional legal services in the Office, more particularly a third lawyer to ensure children are represented in injury claims and other civil litigation.
- Introduce two releases of the computer system (Guardian) with enhancements in the work queue, assets, payments, budgets, incomes, expenses and reports areas.
- Work in partnership with the Regina Qu'Appelle Health Region to deliver a conference on capacity (Competency and Decision Making, April 2008)
- Propose and promote a small value bond, which applicants for property guardianship can usually obtain.
- Implement tracking for 12 performance measures in the Office.
- Develop six information booklets regarding how the office administers an adult's estate, how the office administers a deceased estate, children's trust funds, a booklet on how to do an accounting, how to apply for property guardianship and the risk of financial abuse.
- Develop and deliver a seminar for guardians and proposed guardians regarding their duties and obligations.
- Develop policies and practices in relation to minors who are wards and their money, property and legal claims.

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## 2008-09 Activities and Results

- *The Administration of Estates Act and Regulations* were proclaimed in force November 1, 2008 and the Office has updated its practices and procedures to comply with that Act and Regulations.
- *The Trustee Act* was passed by the Legislative Assembly on March 31, 2009, but has not been proclaimed. Once the Act is proclaimed, the Office will update its practices and procedures to comply with the Act.
- Work has been done on proposed amendments to *The Adult Guardianship and Co-decision-making Act* and Regulations.
- The Legislative Assembly passed *The Missing Persons and Presumption of Death Act, 2009* on May 14, 2009. This Act, when proclaimed, will repeal *The Absentee Act*.
- A conference on "Competency & Decision Making" was put on in partnership with the Regina Qu'Appelle Health Region.
- Work has been done on a small value bond but has not yet been finalized.
- The Office:
  - implemented tracking of 12 performance measures.
  - developed ten booklets, which are available by telephone or email request and can be viewed on the Office's website.
  - applied for the Indian Residential Schools Common Experience payment for 79 clients.
  - registered 126 clients for a Registered Disability Savings Plan (RDSP).
  - began a program review of the Public Guardian and Trustee.
- A seminar for guardians and possible guardians has been delivered in Regina and Saskatoon.
- Work continues in developing policies in relation to minors who are wards and a Memorandum of Understanding has been developed with the Ministry of Social Services.

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## 2009-10 Planned Actions

Implement the provisions in *The Trustee Act* that apply to the Public Guardian and Trustee and develop policies and procedures related to those provisions.

Implement the provisions of *The Missing Persons and Presumption of Death Act* that apply to the Public Guardian and Trustee and develop policies and procedures related to those provisions.

Propose and promote amendments to *The Adult Guardianship and Co-decision-making Act* and Regulations.

Propose and promote amendments to *The Dependants' Relief Act, 1996*.

Propose and promote a *Co-ownership Act*.

Explore the possibility of changes to investment policy and distribution of earnings policy.

Implement a policy requiring all initial inventories to be done by two staff persons and where possible, a family member, neighbor, social worker or health professional in attendance.

Complete a feasibility study regarding the upgrading and refreshing of the computer system (Guardian) and a Business Case for a Guardian update and refresh.

Work towards the provision of additional legal services in the Office, more particularly a third lawyer to ensure children are represented in injury claims and other litigation if resources permit.

Publish booklets on Missing Persons, Substitute Decision Making, Dependents' Relief Applications and Temporary Guardianship.

Complete a program review of the Public Guardian and Trustee and consider implementation of the recommendations.

Implement a revised procedure for releasing funds to children who have reached age 18.

Implement a Memorandum of Understanding with the Ministry of Social Services regarding representing permanent wards on critical injury claims.

Develop and implement policies and procedures for applying for the Canada Disability Savings Bond for children who are permanent wards and have a disability.

Develop and implement policies and procedures for clients acquiring for Tax Free Savings Accounts and set up those accounts.

Develop and implement policies and procedures to decline administration of estates where it is economically impractical to administer the estate.

Develop a process to monitor class action suits and to identify clients who are eligible to participate.

# Performance Measures

The Public Guardian and Trustee has developed a series of performance measures to assist the Office in determining how well it is carrying out its obligations. The performance measures will assist in determining efficiency and workload pressures.

These measures were implemented in 2008-09 (except for the measure on return on the common fund, which has been in place for three years.)

| Measure   | March 31/08<br>Actual | March 31/09<br>Target | March 31/09<br>Actual | March 31/10<br>Target |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Deceased Estates Unit</b>  |                       |                       |                       |                       |
| Files that are closed within 2 years of being opened  | 47%                   | 50%                   | 32%                   | 50%                   |
| Beneficiaries who had average, above average or excellent service with the Estate Unit  | 91%                   | 91%                   | 88%                   | 91%                   |
| Estates where Letters of Administration issued in 6 months  | 41%                   | 50%                   | 50%                   | 60%                   |
| <b>Children's Unit</b>  |                       |                       |                       |                       |
| Files where a child's account is released within 7 days of receiving signed release   | 73%                   | 80%                   | 81%                   | 85%                   |
| Files where payments are made within 7 days of receiving the request  | 80%                   | 80%                   | 96%                   | 97%                   |
| Clients and parents who had average, above average or excellent service with the Children's Unit  | 92%                   | 92%                   | 94%                   | 95%                   |
| <b>Adults Unit</b>  |                       |                       |                       |                       |
| Clients or personal representatives who had average, above average or excellent service with the Adults Unit  | 58%                   | 75%                   | 92%                   | 95%                   |
| Files where an Acknowledgement is signed within 90 days from the date that the Certificate of Incompetence is received  | 87%                   | 90%                   | 85%                   | 90%                   |
| Files where the request for an investigation or inventory is made within 30 days from the date that the Acknowledgement is received   | 74%                   | 80%                   | 78%                   | 85%                   |
| <b>Accounting and Administration Unit</b>   |                       |                       |                       |                       |
| Files where the investigative action relating to assets is completed within 14 days of receiving the request  | 55%                   | 58%                   | 61%                   | 65%                   |
| Invoices that are processed within 7 days   | 65%                   | 70%                   | 78%                   | 80%                   |
| Difference between the 4-year average rate of return on client assets invested by the Office of the Public Guardian and Trustee and the benchmark identified in the investment policy | 0.5%                  | 0.0%                  | 0.0%                  | 0.0%                  |

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## **Additional Measures**

The Office has developed additional measures for the 2009-10 year. These measures will be reported on in the 2009-10 annual report. The new measures are:

| <b>Additional Measure</b>   | <b>March 31/09<br/>Actual</b> | <b>March 31/10<br/>Target</b> |
|---|-------------------------------|-------------------------------|
| <b>Deceased Estates Unit</b>  |                               |                               |
| Files where the tax return to date of death is completed within 6 months of appointment               | 72%                           | 80%                           |
| <b>Children's Unit</b>  |                               |                               |
| Files where a Certificate of No Infants is issued within 7 days of receiving all required information | 91%                           | 95%                           |
| <b>Adults Unit</b>  |                               |                               |
| Property guardians' annual accountings that have been reviewed within 10 days of receipt              | 95%                           | 97%                           |
| <b>Accounting and Administration Unit</b>   |                               |                               |
| Percentage of legal fees invoiced as compared to legal salaries                                       | 103%                          | 80%                           |

# Important Issues

## Aging Population

Saskatchewan's population is aging. According to the 2006 Census, just over 15 per cent of Saskatchewan's citizens were 65 or older. The population 65 and older is expected to continue to increase as the baby boomer generation matures, potentially to almost one in five Saskatchewan people by 2021. Meanwhile, the number of those over 80 (the citizens with the greatest need for guardianship and estate management) has increased dramatically. According to the 2006 Census, about one in 20 people in Saskatchewan were aged 80 or above. This is higher than the Canadian average of one in 27 and much higher than Alberta, where only one in 36 residents were 80 or older in 2006.

It is difficult to predict, but our aging population will probably result in the Public Guardian and Trustee being appointed as property guardian for more and more senior citizens. We know that as people age, they are most likely to have a disability that affects their capacity. Statistics Canada's 2006 Participation and Activity Limitation Survey found that 48 per cent of those aged 65 or older in Saskatchewan (60 per cent of those aged 75 or older) have some form of disability, as opposed to 16 per cent of the population of the province as a whole. In addition, we know that the prevalence of the types of disability associated with adult guardianship, such as memory, learning and speech loss, increase with age. Therefore, there may be more need for adult guardianship in the coming years. As well, seniors may also live longer under guardianship. The workload of the Office, and hence the need for additional resources and for qualified staff, will increase as a result. At the same time, the Office's ability to meet its fiduciary and other obligations for each and every file and for every decision will be stretched.

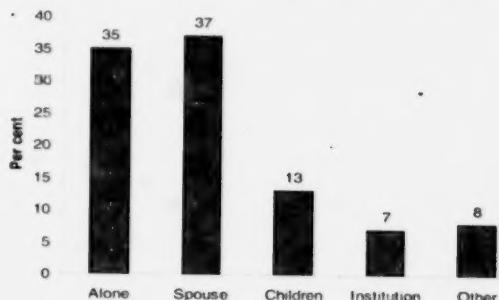
## Living in the Community

Only seven per cent of seniors in Canada lived in institutions in 2001. Thirty-five per cent of seniors lived alone in a domestic setting, 37 per cent with a spouse, and 13 per cent

with children. However, the number of seniors with serious and chronic health conditions living in institutions may rise in the near future. Most persons with disabilities also now live in the community.

Many of the Public Guardian and Trustee's clients therefore live in the community. This increases the need for personal guardians to assist vulnerable adults with personal decisions, and to be aware of the personalized needs of each client and seek ways to preserve their independence.

## Living Arrangements of Canadian Seniors



Source: Statistics Canada, 2001 Census

## Abuse of Senior Citizens

Human service providers, such as doctors, lawyers, police officers, nurses, psychologists, and social workers would probably be able to tell you of at least one case of physical, mental or financial abuse of a senior citizen. Physical and sexual abuses are obviously very serious, but financial abuse is also harmful to a senior citizen.

Financial abuse results in lost savings. It can mean that a nest egg set aside for retirement is gone. Once it occurs, it is difficult to get the lost property or money back. The Public Guardian and Trustee has published a booklet, *Minimizing the Risk of Financial Harm to Vulnerable Adults* setting out steps to reduce the risk of financial harm. This booklet can be obtained upon request or viewed at <http://www.justice.gov.sk.ca/pgtpubs>

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## Accountability

### A Need for Information

At present, other human service providers, professionals and the public at large require more information on issues affecting vulnerable adults. This affects their ability to respond to certain issues, such as the abuse of the senior citizens or problems associated with joint ownership. These people generally want to know more, in order to improve their responses.

The Public Guardian and Trustee has published a series of booklets on the following topics:

- *Public Guardian and Trustee of Saskatchewan*
- *Duties and Powers of a Property Attorney in Saskatchewan*
- *Duties and Powers of a Property Guardian in Saskatchewan*
- *Accountings*
- *Minimizing the Risk of Financial Harm to Vulnerable Adults*
- *Administering a Deceased Estate*
- *Administering An Adult's Financial Affairs*
- *Children's Trust Funds*
- *If You Are Considering Administering a Deceased Estate*
- *How to Apply for Guardianship*
- *Dependants' Relief Applications*

These booklets can be obtained upon request or viewed on our website at <http://www.justice.gov.sk.ca/pgtpubs>

In the coming year, the Office plans to publish the following booklets:

- Missing Persons and Property Guardianship;
- Substitute Decision Making – A Framework; and
- Temporary Guardianship

The Public Guardian and Trustee is required to account publicly to the Minister and the Legislative Assembly, as evidenced by this annual report. The Public Guardian and Trustee is required to have an audit performed by the Provincial Auditor each year. This audit reviews financial information and involves a review of systems and controls. The Office is subject to all financial controls of the Comptroller's Office. Citizens have the right to contact the Ombudsman who has the authority to do a review of a file. Finally, at some point, the Office must account to a client, his or her property guardian, executor or administrator. These accountability mechanisms are in place to ensure that the Office operates in a lawful and responsible way.

# Confidentiality Policy

The Public Guardian and Trustee has been in existence since April 1, 1984. The Office and its predecessors, the Administrator of Estates and Official Guardian have always taken the issue of privacy and confidentiality very seriously. As the Office administers the financial affairs of an adult, child or deceased estate, that person is entitled to confidentiality and privacy. When they were managing their own affairs, they had the discretion to disclose what information they wished. When the Office administers their affairs, the Office will always err on the side of disclosing less information rather than more, to family or third parties, so that the person's privacy is protected.

*The Freedom of Information and Protection of Privacy Act* reinforces this principle in section 29.

*The Health Information Protection Act* further enforces this principle in subsection 5(2).

To further reinforce this long-standing position of confidentiality, the Office has developed a policy on when information can be released.

## Adults

On a day-to-day basis, the Public Guardian and Trustee staff must disclose information in order to manage the financial affairs of the Office's clients. The Office will release only the information that is necessary and in the best interest of the client. The reverse is also true, if releasing information is not in the best interest of the client, the Office will not release it.

If a neighbor or friend of the client calls asking for information, there is no best interest for the client, and the Office will refuse to provide that information. If a son or daughter calls, the Office takes the same approach. If there is no financial advantage to release the information, the Office will not release that information. When a son or daughter calls, they may have an expectation that the Office should release information to them because they are the son or daughter. If the client were competent, he or she would decide whether to give any information to a son or daughter. Some

parents give information to their children; some parents do not. A son or daughter has no more right to a parent's financial information than does a stranger.

The Public Guardian and Trustee also views the Office as a place of last resort. The Office is property guardian for a client when the family will not or cannot be the property guardian. A family member who wishes more control and more information can apply to the Court to be the property guardian. If the Court appoints that person, the Office will hand over all information to that property guardian.

In many instances, when the Office is property guardian for a client, it is because some financial abuse has taken place prior to the Office's involvement. In many instances, it is one of the children who have been the abuser. That child may have tried to benefit or has benefited from being power of attorney, property guardian or unofficial manager of the parent's affairs. Sometimes there is a major family dispute occurring. The Office may be placed between differing members of the family.

The Public Guardian and Trustee, when faced with an information request, does not want to give information to an abuser, take sides between family members, or prejudice the rights of the client in case there is a claim for restitution. These concerns reinforce the importance of a policy of confidentiality and protection of the client's privacy. For these reasons, the Public Guardian and Trustee has taken the side of protecting a person's privacy and enforcing a strict confidentiality policy.

It should be noted that an adult, for whom we are property guardian, is always entitled to his or her financial information.

## Children

The Public Guardian and Trustee is committed to maintaining the confidentiality of children's records and information. This is an important part of protecting the rights and interests of our clients, and one reason that we ask for written requests for

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## Risk Management

withdrawing funds or for inquiries about the amount of money in the child's account. Account balances are not provided over the telephone unless we are certain that the person requesting the information is the child's legal guardian. We will mail a statement upon request.

### **Deceased Estates**

When the Office acts as Official Administrator, it will only provide information as is required to complete administration. If it is dealing with creditors, it will provide only sufficient information to settle debts. It will provide all information to a beneficiary when the beneficiary requests that information. It will not provide information to a relative who is not a beneficiary.

The Public Guardian and Trustee continued to identify and manage risk.

Market fluctuations could have an adverse impact on the Public Guardian and Trustee's Common Fund. The Public Guardian and Trustee attempts to minimize this impact through:

- a balanced investment policy that is reviewed annually;
- an investment manager that makes all investment decisions;
- an investment consultant who advises on the performance of the investment manager;
- a custodian who holds investments in the common fund, receives income and completes transactions;
- an investment advisory committee that reviews the performance of the investment manager and changes to the investment policy; and
- a policy that provides for the distribution of capital gains over a four-year period.

Other internal risk factors include negligent administration of a client's affairs, breach of the fiduciary obligations, fraud, errors in recording income or expenses and loss of assets.

These are the risks carried by any organization that holds funds and manages assets. Every Public Guardian and Trustee in Canada also bears these risks. The greatest risk is to ignore these risks. The preferred approach is to recognize them as risks, take steps to minimize them, and do everything in one's power to ensure that such events do not occur. The Public Guardian and Trustee, to minimize these risks to the greatest extent possible:

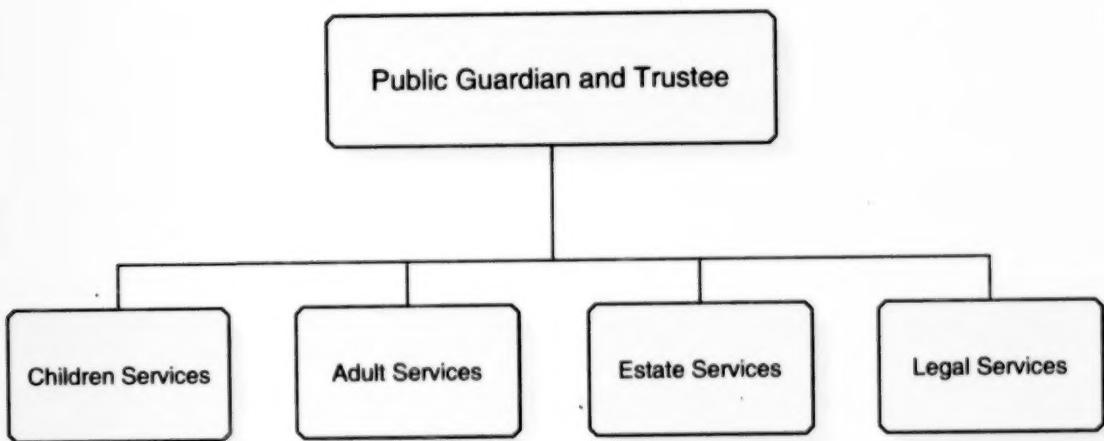
- provides training at monthly meetings;
- ensures that staff attend relevant conferences;
- reviews actions or decisions by legal counsel;
- maintains a policy manual and a regular updating process;

- 
- conducts an internal review on a monthly basis;
  - conducts periodic reviews by the Ministry of Justice and Attorney General's internal auditor;
  - establishes a series of tight controls surrounding the issuing of cheques and the processing of expenses;
  - provides for greater physical security in the Office;
  - prescribes procedures for the opening of mail and the handling of cash and other assets;
  - prescribes procedures for the recording of assets on the Office's computer system;
  - maintains and updates controls around the recording of income and expenses;
  - creates rules regarding the taking and recording of inventory;
  - secures personal property stored at the Office;
  - insures assets; and
  - places access restrictions on the computer system, to allow only authorized staff to perform certain functions

As stated above, the Office believes the prudent approach is to recognize potential risks and take as many steps as possible to minimize those risks.

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## **Management Structure**



# Fees

The Office has a principle of cost recovery in the provision of its services. Where a full cost recovery is not achievable, the objective is partial cost recovery. There are certain situations where clients cannot pay the full or partial fee. The Public Guardian and Trustee has the discretion to reduce those fees in appropriate circumstances. Under *The Public Guardian and Trustee Act* and Regulations and *The Administration of Estates Act* and Regulations, the Public Guardian and Trustee charges fees for services.

## For Children

- 1/12th of 1% per month, of the amount held for the child.

## For Adults

- 5% or 7% of income
- 1/12th of 1% per month, of the value of the assets managed for adults.

## For Estates

- A percentage of the value of the estate:
  - 7% on first \$50,000
  - 5% on next \$50,000
  - 4% on excess over \$100,000with a minimum fee of \$900. This fee would apply if the Public Guardian and Trustee acts as administrator pending litigation or acts as administrator to defend a claim.

## For Co-decision-makers or Temporary Guardians

- Where the Public Guardian and Trustee acts as a co-decision maker or a temporary guardian, the fee is \$250 per month.

## For Court Appearances

- If the Public Guardian and Trustee appears in Court, it will ask the Court to award it costs on a solicitor/client basis.

## For Litigation Guardians

- Where the Public Guardian and Trustee acts as a litigation guardian for a child or an adult, the fee is \$500 plus disbursements and legal fees.

## For Legal Fees

- An hourly rate of \$150.

## Real Estate

- Where a real estate agent is involved, 1% of the sale price with a minimum of \$100 and a maximum of \$500.
- Where no real estate agent is involved, 3% of the sale price with a minimum fee of \$100 and a maximum of \$500.

## Income Tax

- Dependent Adults
- \$60 for a simple return
- \$100 where there is rental or investment income.

## Tax Enforcement

- Serving a notice of Tax Enforcement on the Office \$5.00

## Fees for Other Services

- Consent to Sale of Real Estate - this varies, depending on the circumstances and/or the value of the property.
- Certificate of No Infants - \$30.00
- Approval of Settlement for an Infant - this varies, depending on the amount of the settlement.

## **Legislation**

The Public Guardian and Trustee has duties and responsibilities under the following Acts:

- *The Absentee Act, 1996*
- *The Administration of Estates Act*
- *The Administration of Estates Regulations*
- *The Adult Guardianship and Co-decision-making Act*
- *The Adult Guardianship and Co-decision-making Regulations*
- *The Automobile Accident Insurance Act*
- *The Child and Family Services Act*
- *The Children's Law Act, 1997*
- *The Condominium Property Act*
- *The Department of Social Services Act*
- *The Dependants' Relief Act, 1996*
- *The Enforcement of Canadian Judgments Act, 2002*
- *The Escheats Act*
- *The Family Maintenance Act, 1997*
- *The Fatal Accidents Act*
- *The Health Care Directives and Substitute Health Care Decision Makers Act*
- *The Intestate Succession Act, 1996*
- *The Land Titles Act, 2000*
- *The Limitations Act*
- *The Mentally Disordered Persons Act*
- *The Powers of Attorney Act, 2002*
- *The Powers of Attorney Amendment Act, 2004*
- *The Powers of Attorney Regulations*
- *The Public Guardian and Trustee Act*
- *The Public Guardian and Trustee Regulations*
- *The Queen's Bench Act, 1998*
- *The Saskatchewan Insurance Act*
- *The Survival of Actions Act*
- *The Survivorship Act, 1993*
- *The Tax Enforcement Act*
- *The Teachers Superannuation and Disability Benefits Act*
- *The Trustee Act*
- *The Variation of Trusts Act*
- *The Wills Act, 1996*

These Acts and Regulations can be viewed on the Office's website at <http://www.justice.gov.sk.ca/pgt>

## **Acknowledgement**

The Public Guardian and Trustee acknowledges and thanks the many staff members who have continued to provide courteous, effective and efficient service to clients. Without their expertise and commitment, the Office would not have been able to attain our many goals for the 2008-2009 fiscal year.

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## **Management's Responsibility for the Financial Statements**

Management is responsible for the integrity of the financial information reported by the Public Guardian and Trustee of Saskatchewan. Fulfilling the responsibility requires the preparation and presentation of financial statements and other financial information according to Canadian generally-accepted accounting principles. These recommendations are consistently applied, with any exception specifically described in the financial statements.

The accounting systems used by the Public Guardian and Trustee include an appropriate system of internal controls to provide reasonable assurance that:

- transactions are authorized;
- clients' assets are properly recorded and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other information; and
- the accounts are properly kept and financial reports are properly monitored to ensure that reliable information is provided for preparation of financial statements and other financial information.

The Provincial Auditor of Saskatchewan has audited the balance sheet of the Public Guardian and Trustee of Saskatchewan - Estates and Trusts under Administration as at March 31, 2009 and the statements of Common Fund earnings and undistributed earnings and changes in trust funds for the year then ended.

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## Contact Information

Public Guardian and Trustee Office  
100 - 1871 Smith St.  
REGINA SK S4P 4W4

Telephone: (306) 787-5424  
Toll Free: 1-877-787-5424  
Fax: (306) 787-5065

Email: pgt@gov.sk.ca  
Website: [www.justice.gov.sk.ca/pgt](http://www.justice.gov.sk.ca/pgt)

Office Hours:

Monday through Friday, 8 a.m. to 5 p.m.  
(Closed for the noon hour and holidays)

## Financial Statements

The financial statements on the following pages provide an account of the financial activities of the Public Guardian and Trustee of Saskatchewan for the year ended March 31, 2009.

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**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION**

**FINANCIAL STATEMENTS**

**For the Year Ended March 31, 2009**



## Provincial Auditor Saskatchewan

1500 Chateau Tower  
1920 Broad Street  
Regina, Saskatchewan  
S4P 3V2

Phone: (306) 787-6398  
Fax: (306) 787-6383  
Web site: [www.auditor.sk.ca](http://www.auditor.sk.ca)  
Internet E-mail: [info@auditor.sk.ca](mailto:info@auditor.sk.ca)

SASKATCHEWAN

### AUDITOR'S REPORT

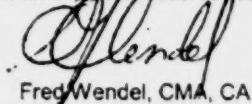
To: The Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Public Guardian and Trustee of Saskatchewan – Estates and Trusts under Administration as at March 31, 2009 and the statements of common fund earnings and undistributed earnings and changes in trust funds for the year then ended. The Public Guardian and Trustee's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Public Guardian and Trustee of Saskatchewan – Estates and Trusts under Administration as at March 31, 2009 and the results of its operations and changes in trusts for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan  
June 2, 2009



Fred Wendel, CMA, CA  
Provincial Auditor

**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION**

**BALANCE SHEET**

**AS AT MARCH 31**

**STATEMENT 1**

| (in 000's)                                      |                   |                   |
|---|-------------------|-------------------|
|   | <u>2009</u>       | <u>2008</u>       |
| <b>ASSETS</b>                                   |                   |                   |
| Cash and Due from General Revenue Fund (Note 5) | \$ 4,407          | \$ 2,769          |
| Interest and Dividends Receivable               | 845               | 876               |
| Common Fund Securities (Schedule 1 & Note 4)    | 107,536           | 125,029           |
| Individual Trust Assets (Schedule 2)            | 29,334            | 26,885            |
| <b>TOTAL ASSETS</b>                             | <b>\$ 142,122</b> | <b>\$ 155,559</b> |
| <b>LIABILITIES</b>                              |                   |                   |
| Accounts Payable (Note 7)                       | \$ 5,601          | \$ 3,836          |
| Mortgages and Loans Payable                     | 477               | 277               |
|   | <hr/> 6,078       | <hr/> 4,113       |
| <b>Trust Equity</b>                             |                   |                   |
| Trust Equity                                    | 142,148           | 138,608           |
| Undistributed Earnings (Statement 2)            | (6,104)           | 12,838            |
|   | <hr/> 136,044     | <hr/> 151,446     |
| <b>TOTAL LIABILITIES AND TRUST EQUITY</b>       | <b>\$ 142,122</b> | <b>\$ 155,559</b> |

(See Accompanying Notes to the Financial Statements)

**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION  
STATEMENT OF COMMON FUND EARNINGS AND UNDISTRIBUTED EARNINGS  
FOR THE YEAR ENDED MARCH 31**

**STATEMENT 2**

|   | (in 000's)        |                  |
|---|-------------------|------------------|
|   | 2009              | 2008             |
| <b>REVENUE</b>  |                   |                  |
| Interest and Dividends (Note 3 (ii))                                | \$ 4,324          | \$ 4,593         |
| Common Fund Realized Gains, Losses and<br>Market Value Appreciation | <u>(17,801)</u>   | <u>(3,720)</u>   |
|   | <u>(13,477)</u>   | <u>873</u>       |
| Less: Management Fees   | (256)             | (320)            |
| <b>Earnings Available for Distribution</b>                          | <b>(13,733)</b>   | <b>553</b>       |
| <br><b>Distributed Earnings (Note 3 (iii))</b>                      |                   |                  |
| Interest and Dividends  | (4,091)           | (4,262)          |
| Realized and Unrealized Capital Gains                               | (1,118)           | (3,988)          |
| <br><b>Undistributed Earnings Previous Year</b>                     | <b>12,838</b>     | <b>20,535</b>    |
| <br><b>UNDISTRIBUTED EARNINGS, END OF YEAR</b>                      | <b>\$ (6,104)</b> | <b>\$ 12,838</b> |

(See Accompanying Notes to the Financial Statements)

**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION  
STATEMENT OF CHANGES IN TRUSTS FUNDS  
FOR THE YEAR ENDED MARCH 31**

**STATEMENT 3**

| (in 000's)                                      |                   |                   |
|---|-------------------|-------------------|
|   | <u>2009</u>       | <u>2008</u>       |
| <b>Increase in Trusts Funds</b>                 |                   |                   |
| Trusts Funds Acquired                           |                   |                   |
| Cash  | \$ 3,506          | \$ 3,660          |
| Common Fund Earnings Available for Distribution | (13,733)          | 553               |
| Other Amounts Received on Behalf of Clients     | 29,730            | 25,024            |
| Total Increase in Trusts Funds                  | <u>19,503</u>     | <u>29,237</u>     |
| <b>Decrease in Trusts Funds</b>                 |                   |                   |
| Trusts Funds Released                           |                   |                   |
| Cash  | 15,476            | 14,538            |
| Payments Made on Behalf of Clients              | 19,325            | 17,792            |
| Administration Fees (Note 6)                    | 2,554             | 2,625             |
| Total Decrease in Trusts Funds                  | <u>37,355</u>     | <u>34,955</u>     |
| Net Change in Individual Non-cash Assets        | <u>2,450</u>      | <u>4,646</u>      |
| Decrease in Trusts Funds                        | (15,402)          | (1,072)           |
| Balance, Beginning of Year                      | 151,446           | 152,518           |
| <b>TRUSTS FUNDS, END OF YEAR</b>                | <b>\$ 136,044</b> | <b>\$ 151,446</b> |

(See Accompanying Notes to the Financial Statements)

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**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009**

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**1. Authority and Purpose**

Effective April 1, 1984 the Office of the Public Guardian and Trustee of Saskatchewan was established pursuant to *The Public Trustee Act* and continued under *The Public Guardian and Trustee Act*. *The Public Trustee Act* was repealed and *The Public Guardian and Trustee Act* was proclaimed effective May 17, 2002.

Section 3(1) of *The Public Guardian and Trustee Act* states:

3(1) The Public Trustee is continued as a corporation sole under the name of the Public Guardian and Trustee of Saskatchewan.

Section 3(3) of *The Public Guardian and Trustee Act* states:

3(3) The public guardian and trustee is the successor in office to:

- (a) the Official Guardian appointed pursuant to *The Infants Act*; and
- (b) the Administrator of Estates appointed pursuant to *The Administration of Estates of Mentally Disordered Persons Act*.

Effective November 12, 1992, the Public Trustee became the official administrator for each judicial centre pursuant to *The Queen's Bench Act*. (Now *The Administration of Estates Act*)

Effective August 13, 2002, the Public Guardian and Trustee became responsible for holding property for persons whose whereabouts is unknown.

The mandate of the Office of the Public Guardian and Trustee is to:

- (a) protect property rights of children under the age of eighteen;
- (b) administer the property and finances of adults who are incapable of managing their financial affairs, monitor other property guardians and investigate allegations of financial abuse;
- (c) administer the estates of deceased persons;
- (d) administer the estates of missing persons, and
- (e) hold and administer unclaimed property.

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**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009**

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**2. Scope of the Financial Statements**

These financial statements reflect the assets and liabilities of estates and trusts under the administration of the Public Guardian and Trustee. In addition, these financial statements reflect the annual changes in those assets and liabilities including:

- a) revenue earned on behalf of clients;
- b) income received on behalf of clients;
- c) new client account additions;
- d) released client withdrawals;
- e) payments made on behalf of clients; and
- f) administration fees payable to the Public Guardian and Trustee.

The operating costs of the Office of the Public Guardian and Trustee are included in the appropriation of the Ministry of Justice and Attorney General.

**3. Significant Accounting Policies**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following policies are considered significant.

(i) Common Fund Securities

Common fund securities, primarily bonds, debentures and shares, are stated at market value. Market value is determined with reference to closing year-end sale prices from recognized security dealers. In the absence of recorded sales, market value is determined by reference to closing year-end bid and ask prices.

Short-term investments are stated at cost, which approximates market value.

(ii) Common Fund Income Recognition

Income earned on common fund securities is recorded using the accrual basis of accounting with amounts earned in the fiscal year but not received prior to the year-end reflected as interest receivable.

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**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009**

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(iii) Common Fund Distribution

Common fund investments generate interest, dividends, realized and unrealized capital gains (losses) income. Pursuant to section 5, 6 and 7 of The Public Guardian and Trustee Regulations, interest, dividends and gains (losses) income earned on the common fund investments are to be calculated and distributed to client trust accounts after the end of each quarter. Section 6 and 7 outline how interest and dividends shall be calculated. Section 7 allows the Public Guardian and Trustee to set the amount of capital gains (losses) to be distributed.

As the investment accounts are stated at market value, the undistributed interest, dividends and capital gains (losses) for the quarter ended March 31 are included in the financial statements as part of the investment value and the undistributed client equity. These interest, dividends and capital gains (losses) amounts are distributed to the client equity accounts in the following year.

(iv) Individual Trust Assets

Individual trust assets consist of accounts receivable, commodities, individual trust securities, personal property and insurance and real estate. Individual trust securities, primarily term deposits, bonds and RRSP accounts are initially stated at market value at the date the Public Guardian and Trustee assumes control of the securities. For financial statement purposes, these securities are adjusted to the market value annually using the most recent valuation information available. Adjustments between the most recent available information and March 31 of each year for a particular client are likely minimal and would affect the value of the asset and the trust liability equally.

Shares are initially recorded at the market value at the time the Public Guardian and Trustee assumes responsibility for control of the investment. Subsequent increases or decreases in the market value are reflected in the trust accounts annually. Where a market value for a share is not readily available, the shares are recorded for accountability purposes at a nominal value of \$1.

Other individual trust assets consist of commodities, real estate, personal property, life insurance policies, pension plans and annuity contracts and are stated at the following values:

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**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009**

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- (a) **Commodities** are stated at market value, which is determined annually with reference to the estimated final delivery price for the particular commodity.
  - (b) **Real estate**, including real estate holdings for infants where the Public Guardian and Trustee is appointed property guardian, are initially recorded at appraised value at the date the Public Guardian and Trustee assumes control of the asset or at cost if the real estate is purchased on behalf of clients by the Public Guardian and Trustee. Real estate values are adjusted to appraised values annually. If no valuation information is available, these assets are recorded at a nominal value of \$1.
  - (c) **Miscellaneous Personal Property** is stated at amounts determined from information available to the Public Guardian and Trustee at the date the Public Guardian and Trustee assumes control of the assets. Subsequent adjustments are made if additional valuation information is received. If no valuation is available, these assets are recorded at a nominal value of \$1.
  - (d) **Life Insurance Policies** that carry a cash surrender value are stated at the cash surrender value as determined with reference to the most recent valuation information available prior to March 31. Policies that do not carry a cash surrender value are stated at a nominal value of \$1.
  - (e) **Pension Plans and Annuity Contracts** are stated at residual value as determined with reference to the most recent evaluation information available prior to March 31 of each year. Pension plans and annuity contracts with no residual value are stated at a nominal value of \$1.
- (v) **Use of Estimates**

Preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions in determining the reported amounts for assets and liabilities. Actual results could differ from management's best estimates, as additional information becomes available.

- (vi) **Financial Instruments**

All financial assets and financial liabilities must be identified and classified. This classification determines how each financial instrument is measured. The Public Guardian and Trustee's financial instruments and their classification are as follows:

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**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009**

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| Financial Instrument                   | Classification              |
|--|-----------------------------|
| Interest and Dividends Receivable      | Loans and receivables       |
| Cash and Due from General Revenue Fund | Held for trading            |
| Common Fund Securities                 | Held for trading            |
| Individual Trust Assets                | Held for trading            |
| Accounts Payable                       | Other financial liabilities |
| Mortgages and Loans Payable            | Other financial liabilities |

Held for trading financial assets and liabilities are measured at fair value. Changes in the fair value of Common Fund Securities is recognized in the Statement of Common Fund Earnings and Undistributed Earnings. Changes in the fair value of other held for trading financial instruments is recognized in the Statement of Changes in Trust Assets. Transaction costs are expensed as incurred for financial instruments classified as held for trading. Loans and receivables and other financial liabilities are measured at amortized cost. Due to their short term nature, the amortized cost of these instruments approximates their fair value.

As at March 31, 2009 the Public Guardian and Trustee does not have any contracts or financial instruments with embedded derivatives.

(vii) Recent Accounting Pronouncements

Effective April 1, 2008, the Public Guardian and Trustee adopted the CICA Handbook Sections 3862 - Financial Instruments - Disclosures, and 3863 - Financial Instruments - Presentation. Section 3862 provides standards for disclosure of the risks arising from financial instruments to which the Entity is exposed, and how the risks are managed by the Entity. Section 3863 provides standards for the presentation of financial instruments and non-financial instrument derivatives. These new requirements are disclosure only and did not have an impact on the Public Guardian and Trustee's financial statements.

**4. Common Fund Securities**

*The Public Guardian and Trustee Act* provides as follows:

47(1) The Public Guardian and Trustee shall:

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**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009**

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- (a) place money received by the Public Guardian and Trustee pursuant to this Act, any other Act or court order in a common fund; and
- (b) subject to the approval of the Investment Board, invest in the name of the Public Guardian and Trustee that part of the common fund that in the Public Guardian and Trustee's opinion is not immediately required for persons for whom the Public Guardian and Trustee holds funds.

Common Fund Securities are invested through a single "common" fund to ensure consistency of return among clients. The investment objectives of the common fund are to achieve at least market returns with prudent risk diversification, with the potential for enhanced returns through active investment management for a majority of the portfolio. The Public Guardian and Trustee recognizes that there are diverse time horizons for its clients and that capital preservation is of primary concern. The employed investment objectives include a multiple asset, total return approach which values all types of investment income equally, a moderate income requirement to supplement other liquidity sources, a requirement for stability and maximization of return, and a degree of inflation protection and capital appreciation.

The Public Guardian and Trustee recognizes that, by their nature, investments carry with them certain risks. The investment policy employed by the Public Guardian and Trustee is designed to mitigate these risks as much as possible by placing restrictions on the overall content and quality of the permitted investments. The following describes the risks associated with the investment portfolio, managed through an investment manager, by the Public Guardian and Trustee.

**Price Risk**

Price risk refers to the potential that the value of investments will fluctuate as a result of foreign currency, interest rate and general market changes.

The value of the common fund investments will fluctuate with changes in foreign currency, interest rate and general market changes. To mitigate these risks the Public Guardian and Trustee works with an investment manager that actively manages asset class allocations through a balanced fund approach. The employed investment policy limits foreign currency exposure by permitting a maximum of 40% foreign investment with a stated benchmark of 26% foreign investment. The policy also limits market risk by permitting a maximum of 50% equity investment, including foreign equities with a benchmark of 40% equity investment. The Public Guardian

**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009**

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and Trustee manages interest rate risk by limiting the quantity and quality of interest rate sensitive investments to a maximum of 100% of the portfolio with a benchmark of 59% fixed income securities. Market risk is managed by taking a conservative prudent approach to investment.

**Credit and Liquidity Risk**

Credit and liquidity risk arises from the potential for an investee to fail or for an issuer to default on its obligations to the common fund. The Public Guardian and Trustee mitigates this risk by limiting the quantity and quality of the permitted investments to high quality, highly rated equity investments and highly rated fixed income securities.

**5. Due from the General Revenue Fund**

The Public Guardian and Trustee's operating and fees bank accounts totalling \$4,377,600 (2008 - \$2,715,525) are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. Interest earned on the balance attributed to the Public Guardian and Trustee is calculated and paid quarterly into the Public Guardian and Trustee's operating account using the Government's thirty day borrowing rate and the Public Guardian and Trustee's average daily bank account balance. The Government's average thirty day borrowing rate for the year-ended March 31, 2009 is 1.95% (For the year-ended 2008 it was 4.17%).

**6. Administration Fees**

Pursuant to the provisions of *The Public Guardian and Trustee Regulations* and *The Administration of Estate Regulations*, the Public Guardian and Trustee may charge a fee for services performed in the management of client accounts. Such fees charged are payable to the General Revenue Fund of the Province of Saskatchewan.

**7. Accounts Payable**

Accounts payable represent encumbrances of client assets that are payable to independent third parties. These client obligations are settled, as client resources become available. In some cases, a client's liabilities exceed the stated value of their assets. These items are included as accounts payable and are paid, as the resources of the client become available to do so.

**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
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Accounts payable consist of the following balances:

|   | (in 000's)      |                 |
|---|-----------------|-----------------|
|   | 2009            | 2008            |
| Accounts Payable to Third Parties                                 | \$ 4,313        | \$ 3,168        |
| Administration Fees Payable to the Public<br>Guardian and Trustee | <u>1,288</u>    | <u>668</u>      |
|   | <u>\$ 5,601</u> | <u>\$ 3,836</u> |

**8. Common Fund Earnings Distributions**

In April 2009, the Public Guardian and Trustee distributed interest, dividends and capital gains (losses) for the quarter ended March 31, 2009, in the amounts as follows (in 000's): interest \$727 (2008 - \$802), dividends \$106 (2008 - \$73), foreign dividends \$63 (2008 - \$50) and capital gain (loss) (\$456) (2008 - \$708).

**9. Related Party Transactions**

Victim's Fund

The Public Guardian and Trustee holds and invests funds for the Victim's Fund established pursuant to *The Victims of Crime Act, 1995*. Earnings are allocated pursuant to sections 5, 6 and 7 of *The Public Guardian and Trustee Regulations*, but no fee pursuant to those regulations is charged.

The trust equity held on behalf of the Victim's Fund, the amount due to the Victim's Fund, and the Common Fund earnings distributed to the Victim's Fund is as follows:

|   | (in 000's) |        |
|---|------------|--------|
|   | 2009       | 2008   |
| Trust Equity at March 31                            | \$ 784     | \$ 750 |
| Common Fund earnings distributed<br>During the year | \$ 34      | \$ 37  |
| Common Fund earnings to be<br>Distributed in April  | \$ 3       | \$ 11  |

**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
 ESTATES AND TRUSTS UNDER ADMINISTRATION  
 SCHEDULE OF COMMON FUND SECURITIES  
 FOR THE PERIOD ENDED MARCH 31,**

**SCHEDULE 1**

(in 000's)

|                                     | <u>2009</u>       |                   | <u>2008</u>       |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                     |                   | % of<br>Portfolio |                   | % of<br>Portfolio |
| <b>Bonds and Debentures</b>         |                   |                   |                   |                   |
| Government of Canada                | \$ 14,250         | 13%               | \$ 21,559         | 17%               |
| Province of Saskatchewan            | 1,795             | 2%                | 927               | 1%                |
| Other Provinces                     | 15,224            | 14%               | 20,158            | 16%               |
| Corporations                        | 31,329            | 29%               | 23,716            | 19%               |
| <b>Total Bonds and Debentures*</b>  | <b>62,598</b>     |                   | <b>66,360</b>     |                   |
| <b>EAFE Pooled Equity Fund</b>      | <b>12,487</b>     | <b>12%</b>        | <b>16,352</b>     | <b>13%</b>        |
| <b>Other Equities</b>               |                   |                   |                   |                   |
| Canadian                            | 14,052            | 13%               | 16,397            | 13%               |
| Foreign                             | 15,126            | 14%               | 16,832            | 14%               |
| <b>Short Term Investments*</b>      | <b>3,273</b>      | <b>3%</b>         | <b>9,088</b>      | <b>7%</b>         |
| <b>TOTAL COMMON FUND SECURITIES</b> | <b>\$ 107,536</b> |                   | <b>\$ 125,029</b> |                   |
| <b>Total Canadian Investments</b>   | <b>79,923</b>     | <b>74%</b>        | <b>91,845</b>     | <b>73%</b>        |
| <b>Total Foreign Investments</b>    | <b>27,613</b>     | <b>26%</b>        | <b>33,184</b>     | <b>27%</b>        |
| <b>TOTAL COMMON FUND SECURITIES</b> | <b>\$ 107,536</b> |                   | <b>\$ 125,029</b> |                   |

\*All Investments held are Canadian

**PUBLIC GUARDIAN AND TRUSTEE OF SASKATCHEWAN  
ESTATES AND TRUSTS UNDER ADMINISTRATION  
INDIVIDUAL TRUST ASSET  
FOR THE PERIOD ENDED MARCH 31,**

**SCHEDULE 2**

(in 000's)

|                                 | <u>2009</u>      | <u>2008</u>      |
|---------------------------------|------------------|------------------|
| Accounts Receivable             | \$ 2,823         | \$ 2,148         |
| Commodities                     | 56               | 103              |
| Individual Investments          | 10,308           | 11,011           |
| Personal Property and Insurance | 4,043            | 4,002            |
| Real Estate                     | 12,104           | 9,621            |
| Total Individual Trust Assets   | <u>\$ 29,334</u> | <u>\$ 26,885</u> |





